

LAFCO

Santa Barbara Local Agency Formation Commission

105 East Anapamu Street ♦ Santa Barbara CA 93101

805/568-3391 ♦ FAX 805/647-7647

www.sblafco.org ♦ lafco@sblafco.org

March 4, 2004 (Agenda)

Local Agency Formation Commission

105 East Anapamu Street, Room 403

Santa Barbara CA 93101

Proposed LAFCO Budget for FY 2004-2005

RECOMMENDATION

The ad hoc Budget Committee recommends that the Commission:

1. Approve the Proposed Budget for Fiscal Year 2003-04 as presented and direct the staff to distribute it to local agencies as required by Government Code Section 56381.
2. Schedule a public hearing on Thursday, May 6 to consider and adopt the Final Budget.
3. Direct the Executive Officer to advise the Commission of any changed conditions that may affect its ability to fulfill its responsibilities in the coming fiscal year.
4. Authorize the County Auditor to adjust the amounts collected from local agencies for next year's budget based on the actual year-end available fund balance minus designations.

DISCUSSION

The ad hoc Budget Committee consisting of Commissioners Campbell, Orach and Umenhofer met on February 18 and considered the financial program for the coming fiscal year.

We reviewed current expenses and anticipated requirements. For next year we recommend a budget that is smaller than the current budget and still funds necessary LAFCO activities.

Proposed Budget for FY 2004-05

We recommend a budget for next year that is \$33,200 less than this year, as summarized in the following chart:

| | Final Budget <u>2003-04</u> | Projected <u>Year End</u> | Proposed <u>2004-05</u> |
|---------------------|--------------------------------|------------------------------|----------------------------|
| Services & Supplies | 287 050 | 232 150 | 253 850 |
| Other Charges | <u>850</u> | <u>850</u> | <u>850</u> |
| Total Expenditures | 287 900 | 233 000 | 254 700 |

The budget is funded from different sources. The unused funds available at the end of the fiscal year are applied to the following year's budget. Revenue from processing fees and interest earned is added to the fund balance. After projecting these sources, the remainder of the budget is funded by local agencies. The amount is divided in thirds and funded equally by the County, cities and independent special districts, as required by the Government Code.

The estimated year-end fund balance available for next year, projected revenues and the remaining amount to be apportioned among local agencies are shown in the following table:

| | Final Budget <u>2003-04</u> | Projected <u>Year End</u> | Proposed <u>2004-05</u> |
|-------------------------|--------------------------------|------------------------------|----------------------------|
| Available Fund Balance | 105 400 | 60 300 | 60 300 |
| Other Revenues | 25 500 | 17 100 | 25 500 |
| Interest | 6 000 | 4 600 | 4 600 |
| Local agencies | <u>151 000</u> | <u>151 000</u> | <u>164 188</u> |
| Total Financing Sources | 287 900 | 233 000 | 254 588 |

Attachment A explains specific expenditure and revenue accounts.

In addition to the available fund balance the Commission has set aside \$40,000 in a reserve fund that is available for new or unanticipated expenses that might occur during the year. If used during the year this account will be replenished for the following year.

Processing Fee Schedule

Income is generated from processing fees. Attachment B is the proposed fee schedule for Fiscal Year 2004-05. It is recommended that fees be increased by about 4% across the board based on incremental inflationary changes.

Local Agency Formation Commission
March 4, 2004 (Agenda)
Page two

Conclusion

The legislature directs LAFCO to adopt a financial program to fulfill the purposes described in the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000.

The ad hoc Budget Committee recommends that the Commission approve the Proposed Budget for Fiscal Year 2004-05 as presented herein and that the staff be directed to distribute the budget as required by Government Code Section 56381.

While a specific financial program is recommended, we urge that flexibility be retained to make adjustments in the Final Budget should this prove warranted.

Very truly yours,

TOM UMENHOFER, Chair
Ad hoc Budget Committee

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION

PROPOSED SCHEDULE OF PROCESSING FEES
 To be effective July 1, 2004

Annexations and Detachments

| Acreage | <u>Existing Fee</u> | <u>Proposed Fee</u> |
|----------------|----------------------------|----------------------------|
| Less than 5 | \$ 525 | \$ 560 |
| 5 to 10 | 750 | 785 |
| 10 to 25 | 1,030 | 1,100 |
| 25 + | 2,200 | 2,300 |

Reorganizations:

Annexation or detachment fee plus a 20% surcharge for each additional change of organization in the application, except for detachments from the County Fire Protection District.

| | | | |
|------------------------------|------------|---------|---------|
| Formations | and | \$2,200 | \$2,300 |
| <u>Incorporations</u> | | | |

In addition to the processing fee, the cost of preparing the comprehensive fiscal analysis shall be borne by the applicant, proponents or supporters of the incorporation.

| | | |
|--------------------------------------|--------|--------|
| Sphere of Influence Amendment | \$ 890 | \$ 890 |
|--------------------------------------|--------|--------|

Out-of-Agency Service Agreements The same fee as for an annexation.

Copies of documents 1-50 pages is \$0.25 a page; 50+ is \$0.10 page

Fee Policies:

1. Fees are not charged for proposals that result from LAFCO orders or recommendations.
2. Fees must be received before proceeding are completed.
3. A supplemental fee shall be charged for proposals that require LAFCO to conduct public hearings, including conducting authority hearings. The fee shall recover actual costs to publish notices and mail notices to landowners and registered voters as required by law.
4. Additional fees may be charged for preparing environmental documents when LAFCO is the lead agency.

5. A \$1,100 deposit payable to "County of Santa Barbara" for reviewing maps and legal descriptions must be submitted with proposals that include maps and legals. Boundary changes will be recorded only when obligations to the County Surveyor are satisfied.
6. The fee for filing a request for reconsideration shall be 50% of the original processing fee amount. The fee shall be returned to the applicant if the Commission determines that the reconsideration is required to correct a procedural defect in its earlier action.
7. The cost for the State to review the Comprehensive Fiscal Analysis for an incorporation shall be the responsibility of those requesting the review.